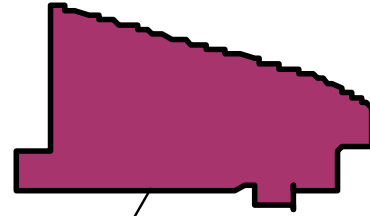
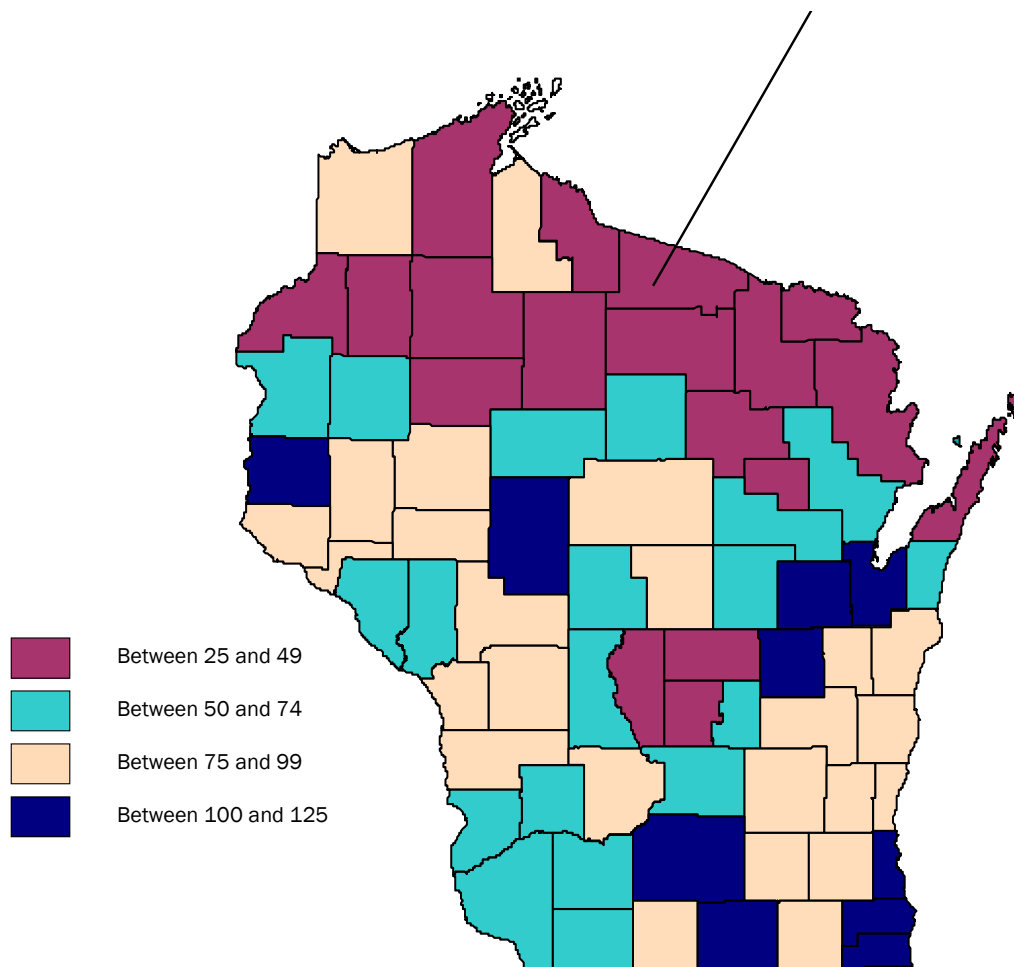


Vilas County Workforce Profile



The number of residents aged 25-29 years for every
100 residents aged 60-64 years in year 2025



Source: Wisconsin Department of Administration, Demographic Services Center and the U.S. Bureau of Census.

For comparison, it is projected that there will be 90 residents aged 25-29 for every 100 residents aged 60-64 in Wisconsin in 2025. Nationally, it is projected that there will be 101 residents aged 25-29 for every 100 residents aged 60-64. In 2003, Wisconsin had 146 residents aged 25-29 for every 100 aged 60-64.



County Population

Population trends affect the supply of workers, the ability to attract employers and the demand for goods and services. Vilas County added roughly 933 people or 4.4 percent to its population between the April 2000 Census and the January 2004 population estimates. The four largest towns (Arbor Vitae, Lac du Flambeau, Lincoln and St. Germain) accounted for about half of the county's population and about half of its population growth.

Total Population

	April 2000 Census	Jan. 1, 2004 estimate	Numeric change	Percent change
United States	281,421,906	292,287,454	10,865,548	3.9%
Wisconsin	5,363,704	5,532,000	168,296	3.1%
Vilas County	21,033	21,966	933	4.4%
Largest Municipalities				
Arbor Vitae, Town	3,153	3,261	108	3.4%
Lac du Flambeau, Town	3,004	3,136	132	4.4%
Lincoln, Town	2,579	2,708	129	5.0%
St. Germain, Town	1,932	2,031	99	5.1%
Washington, Town	1,577	1,624	47	3.0%
Eagle River, City	1,443	1,481	38	2.6%
Phelps, Town	1,350	1,438	88	6.5%
Conover, Town	1,137	1,183	46	4.0%
Boulder Junct., Town	958	985	27	2.8%
Cloverland, Town	919	984	65	7.1%

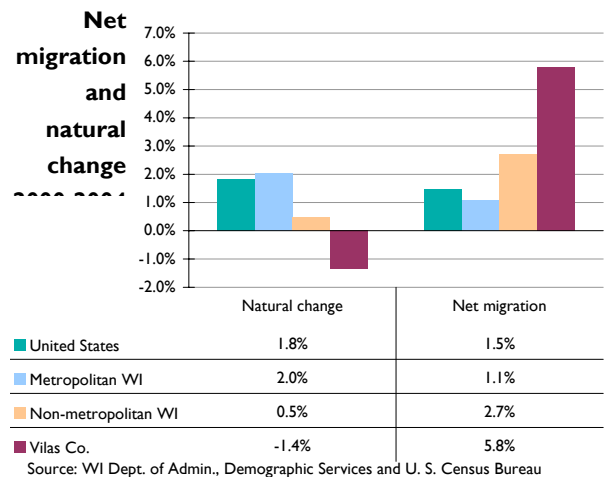
Source: Wis. Dept. of Administration, Demographic Services and U. S. Census Bureau

The county's population growth (4.4%) was faster than the state's (3.1%) or the nation's (3.9%). The county's population growth was also different in character. Vilas County experienced more deaths than births between 2000 and 2004, so all of its population gain was attributable to net migration (people moving in minus people moving out). Wisconsin demographers expect more deaths than births in Vilas County through 2030 and expect net migration to fall by over a third by 2020.

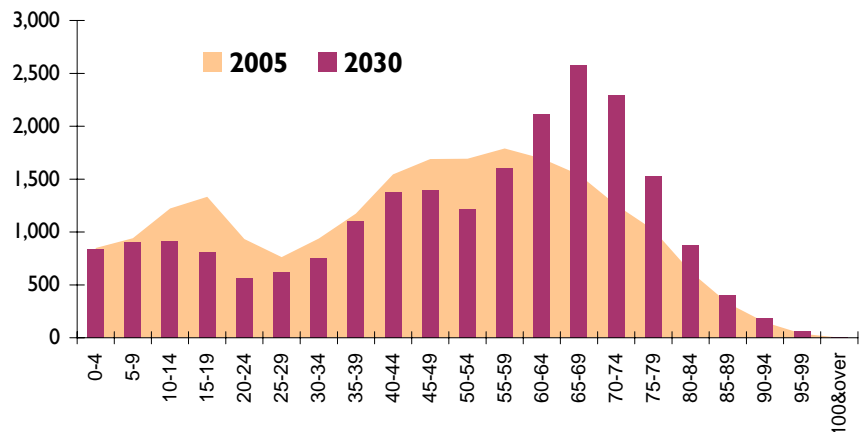
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The graph to the right contrasts the age demographics of 2005 (the lighter area) with the projection for 2030 (the darker bars). Every age group containing

people under 55 years old is projected to be smaller in 2030 than in 2005. The 55-and-over group will grow from 8,448 people (39% of total population) in 2005 to 11,642 (53% of total population) in 2030. The overall population will grow just under 3 percent and the 55-and-over population will grow nearly 38 percent. In the year 2005, Vilas County will have 45 residents aged 25 to 29 for every 100 residents aged 60 to 64; by 2025 that number will fall to 27. In 2005, projections suggest that 3,498 county residents will be aged 5 to 19 (approximately school ages). By 2020, this number will fall by 37 percent to 2,542. Together these trends could generate pressure to change funding or spending for social services or education. Such changes could affect the number of qualified workers available.



Population by Age Groups in Vilas County



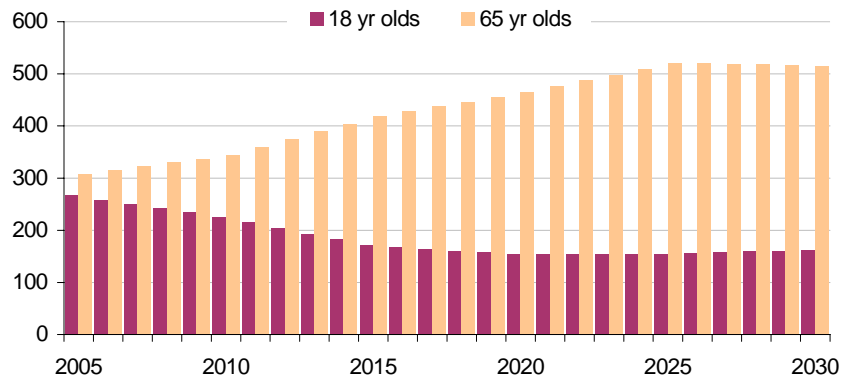
Source: WI Dept. of Administration, Demographic Services

Future Population and Labor Supply

The graph to the right asks how many people will turn 18 each year and how many people will turn 65 each year. Some workers will start their careers later than the age of 18 and some will leave the labor market before reaching 65, but these can be rough proxies for people entering the labor market and people leaving the labor market. Between 2005 and 2030, the number of residents turning 18 each year shrinks from roughly 267 to 162; meanwhile the number of residents turning 65 each year grows from 308 to 516. This has serious ramifications for any establishment whose customer base or employee pool includes significant numbers of baby boomers.

The baby boom (1946 to 1964) was dominated by white, non-Hispanic children. Subsequent increases in national birth rates relied heavily on Hispanic and non-white parents. The graph below shows that even compared to homogeneous Wisconsin, Vilas County lacks the robust diversity that can help drive labor force growth. For reasons beyond the scope of this profile, the labor force participation rate (the frequency with which people work and look for work) tends to be higher among Hispanic and non-white populations than it is among white non-Hispanic populations.

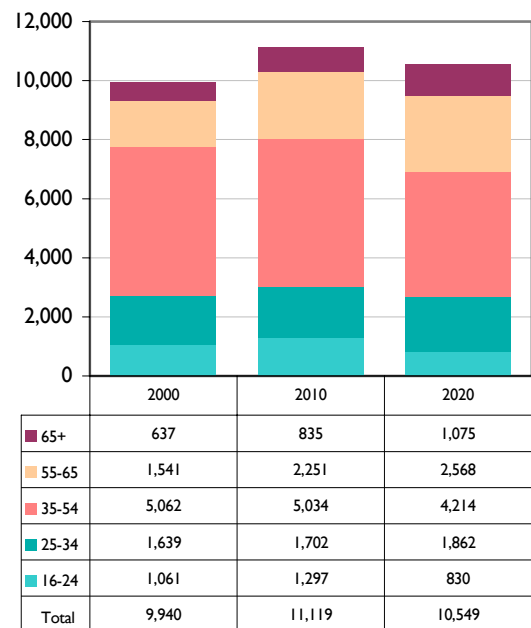
Convergence of 18 & 65 year old population in Vilas County



Source: WI Dept. of Administration, Demographic Services

Below, the Labor Force Projections by Age graph is based on current participation in Vilas County with adjustments in each age group based on national projections. Older cohorts are more white and non-Hispanic, so their participation rates may be below national levels. From 1990 to 2000, the labor force grew nearly 33 percent. Between 2000 and 2010, it will grow at less than half that rate. In the following decade (2010 to 2020) it will shrink. Even changes much milder than predicted could constrain job growth.

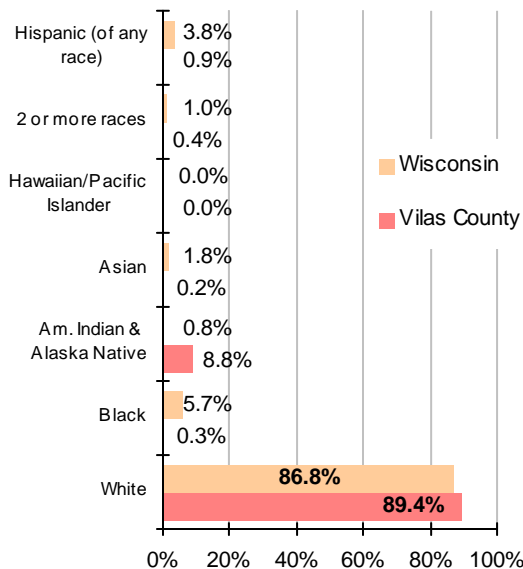
Vilas County Labor Force Projections by Age



Decade change	32.8%	11.9%	-5.1%
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Source: DWD, Office of Economic Advisors, August 2004

Race and ethnic distribution

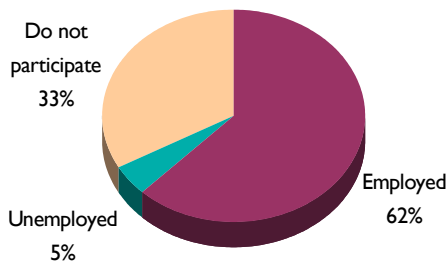


Source: U.S. Census Population Characteristics Estimates, 2002

Current Labor Force

The participation rate is the share of the 16-and-over population that is employed or unemployed. In 2003, the national participation rate was 66.3 percent and Wisconsin's was 72.9 percent. In Vilas County, the participation rate of 67 percent indicates that 33 percent of the 16-and-over population did not participate in the labor force by working or seeking

Labor force participation in Vilas County

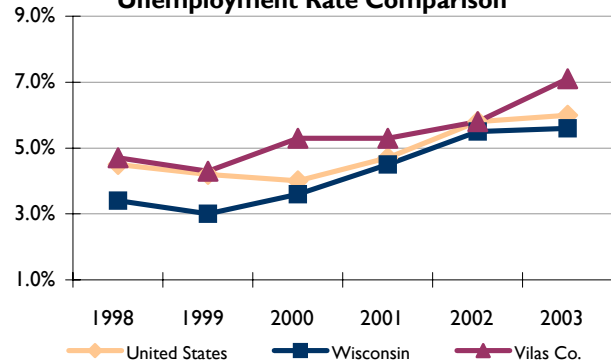


Source: DWD, Office of Economic Advisors, July 2004

work. The group that does not participate usually includes retirees, students and at-home parents. In Vilas County, retirees are probably the most prominent segment of this group and analysis on pages 1-2 suggests that retirees will become a more prominent cohort in years to come.

The unemployment rate graph below shows that Vilas County's rates have risen considerably from their 1999 lows. Rates were more encouraging in the second half of 2003 and first half of 2004 than in the first half of 2003, but still well above typical levels.

Unemployment Rate Comparison



Vilas County Civilian Labor Force Data

	1998	1999	2000	2001	2002	2003
Labor Force	11,092	11,015	10,929	11,254	11,599	11,755
Employed	10,572	10,540	10,355	10,659	10,930	10,925
Unemployed	520	475	574	595	669	830
Unemployment Rate	4.7%	4.3%	5.3%	5.3%	5.8%	7.1%

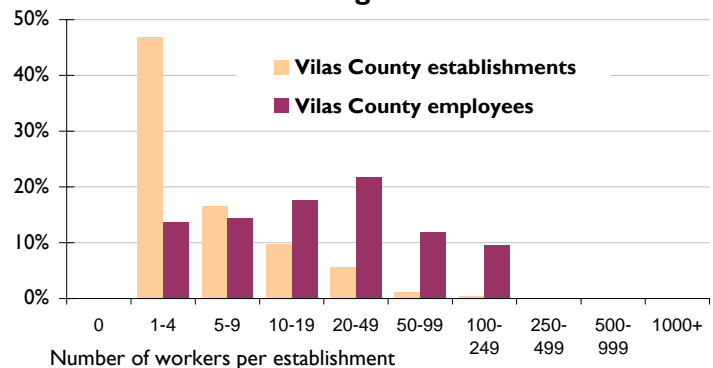
Source: WI DWD, Bur. of Workforce Information, Local Area Unemployment Statistics, 2003

Establishments by Size

About 934 establishments reported operations in Vilas County. In the graph to the right the first two bars in the lighter colored series show that nearly 64 percent of establishments reported nine or fewer employees. The next four bars (corresponding to the 10-19, 20-49, 50-99 and 100-249 employee ranges) indicate that just over 17 percent of establishments report 10 to 249 workers. No establishments fell in the 250-499 or the 1000+ ranges.

The darker set of bars tells a different story: 28 percent of jobs are with establishments in the 1-4 or 5-9 employee classes, while nearly 61 percent of jobs were in the next four classes (the 10-19, 20-49, 50-99 and 100-249 employee ranges).

Share of establishments & employers in size range in 2003



Source: DWD, Bureau of Workforce Information, Table 221, July 2004

Industries & employers by size

Listed in the table at the top of the page, Vilas County's ten largest industry groups provided roughly 58 percent of the jobs in the county. A shrinking school-aged population and a retirement-aged population growing far faster than the working-aged population could shift relative emphasis. Visitors using accommodation facilities become a key source of in-migration.

Listed in the table in the middle of the page, Vilas County's largest employers account for about 49 percent of the jobs in the county. Age demographics discussed on pages 1-2 will have a significant impact on this list too. Reliance on public funding (including Medicare or Social Security) could limit employment growth for some establishments.

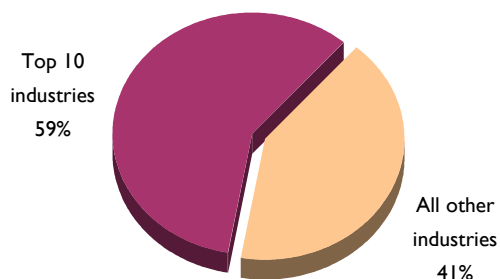
Top 10 Industries in Vilas County

Industry	March 2004		Numeric Employment Change	
	Establishments	Employees	2003-2004	1999-2004
Executive, legislative, & gen government	17	1,205	30	205
Food services & drinking places	114	1,035	167	236
Educational services	9	717	19	95
Accommodation	59	383	-11	-6
Food & beverage stores	13	366	35	53
Construction of buildings	54	332	39	37
Specialty trade contractors	77	282	-5	-27
Nursing & residential care facilities	6	241	-29	-13
Building material & garden supply stores	20	203	29	81
Motor vehicle & parts dealers	21	191	8	36

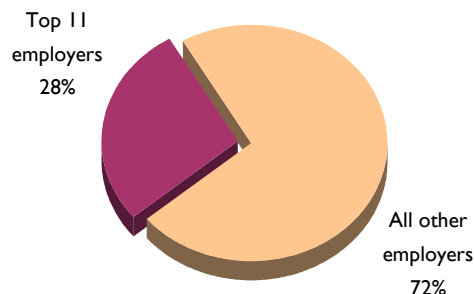
Top 11 Employers in Vilas County

Establishment	Product or Service	Size (Dec. 2003)
Lac Du Flambeau Band, Lake Superior Chippewa	Tribal governments and operations	500-999 employees
Northland Pines Schools	Elementary and secondary schools	250-499 employees
County of Vilas	Executive and legislative offices, combined	100-249 employees
T A Solberg Co. Inc.	Caterers	100-249 employees
Bonsons Foods Inc.	Supermarkets and other grocery stores	100-249 employees
Lac Du Flambeau Public School	Elementary and secondary schools	100-249 employees
Howard Young Medical Group	General medical and surgical hospitals	100-249 employees
North States Utility Contractors Inc.	Power and communication system construction	100-249 employees
Northwoods Medical Center Inc.	Nursing care facilities	50-99 employees
Pukall Lumber Co. Inc.	Sawmills	50-99 employees

Share of jobs in top 10 industries in Vilas County

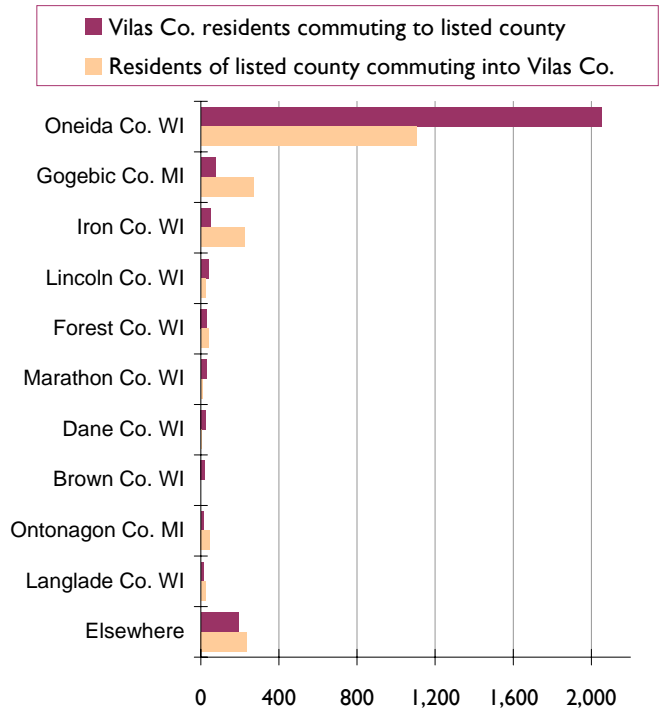


Share of Vilas County jobs with top 11 employers



Commuting

The 2000 Census reported that approximately 2,544 Vilas County residents worked outside the county (about 29 percent of working residents). At the same time, roughly 1,982 workers from other counties commuted in (roughly 24 percent of the jobs located in the county were filled by residents of other counties). The heaviest flows are to and from Oneida County. The county border narrowly divides Vilas towns of Arbor Vitae, Lac du Flambeau, Lincoln and St. Germain from Oneida towns of Minocqua, Woodruff and Three lakes. Crossing a county line does not necessarily indicate traveling a great distance. The 2000 Census indicated that 67 percent of Vilas County's working residents commuted less than 20 minutes and 82 percent commuted less than 30 minutes. Workers traveling in may be lured by high wages in the education and health services sector. Workers traveling in may also find that their housing dollars go further in Oneida County than in Vilas County. Oneida County's concentration of manufacturing jobs and high manufacturing wages probably helps pull workers out of Vilas County.



Source: U.S. Census 2000, Special tabulations: Worker Flow Files

Key occupations & wages

The table to the right lists some of the occupations with the greatest estimated employment in the Vilas County area. The range bracketed by the 25th percentile wage and the 75th percentile wage might be called a typical wage range because a quarter of the occupation's workers earn less, a quarter earn more and about half earn a wage somewhere in the range.

Those occupations requiring less training and education tend to see lower wages and narrower wage ranges (e.g. short order cooks and personal care aides). These factors contribute to turnover. Many well-paid technical or professional positions congregate around groups of economic hubs such as headquarters and major operational centers. Less metropolitan areas tend to see less white collar work and more general labor.

Occupation title	Hourly Wages			
	Mean	Percentile		
		25 th	50 th	75 th
Cashiers	\$7.93	\$6.24	\$7.07	\$8.67
Truck drivers, heavy & tractor-trailer	\$17.31	\$12.88	\$17.20	\$20.94
Retail salespersons	\$8.83	\$6.64	\$7.84	\$9.78
Carpenters	\$13.91	\$7.07	\$14.28	\$17.43
Janitors & cleaners, except maids & hskpg. cleaners	\$9.54	\$7.51	\$8.75	\$11.40
Waiters & waitresses	\$8.26	\$6.15	\$7.07	\$8.93
Bartenders	\$7.80	\$7.08	\$7.73	\$8.37
Secretaries, except legal, medical, & executive	\$9.94	\$7.72	\$9.34	\$12.22
Comb. food prep. & serving workers (fast food)	\$7.19	\$6.12	\$6.94	\$8.06
Nursing aides, orderlies, & attendants	\$10.19	\$8.91	\$10.19	\$11.35
Bookkeeping, accounting, & auditing clerks	\$11.60	\$8.94	\$11.58	\$13.75
Office clerks, general	\$9.93	\$7.98	\$9.55	\$11.62
Maids & hskpg. cleaners	\$7.75	\$6.55	\$7.64	\$8.78
Cooks, short order	\$6.77	\$5.88	\$6.41	\$6.94
Personal & home care aides	\$8.73	\$7.91	\$8.71	\$9.65
Automotive service technicians & mechanics	\$15.59	\$11.44	\$16.06	\$19.62
Maintenance & repair workers, general	\$12.57	\$9.16	\$11.96	\$15.28
Sales reps., whls/mfg, except tech. & scientific prod.	\$19.12	\$12.63	\$15.65	\$22.16
Registered nurses	\$21.69	\$18.60	\$20.83	\$24.29
General & operations managers	\$34.27	\$20.21	\$28.43	\$42.93

Vilas County is part of an area which includes Ashland, Bayfield, Douglas, Iron, Sawyer, Vilas and Washburn counties.

Source: DWD, Office of Economic Advisors, special tabulation using EDS and OES 2003

Employment and Wages

Overall, Vilas County establishments reported paying 70 percent of Wisconsin's all-industries average wage. The average annual wage for the education and health services sector (\$35,236) was higher than any other sector's wage. (See table to right.) The table and graph below show that the education and health services sector accounted for 20 percent of the county's total payroll and 13 percent of the county's total employment. Employment in this sector divides fairly evenly between the education component and the

health care and social assistance component. Demographic analysis on pages 1-2 suggests that the latter will grow faster than the former. The leisure and hospitality sector contributes more jobs than any other (23 percent of total employment), yet, due in part to seasonal and part-time schedules that produce a much lower average annual wage (\$11,678), payroll from leisure and hospitality employers is less than 12 percent of the county's total payroll. This is typical enough that the statewide average annual wage for the sector (\$12,002)

Average Annual Wage by Industry Division in 2003

	Average Annual Wage		Percent of	1-year
	Wisconsin	Vilas County	Wisconsin	% change
All Industries	\$ 33,423	\$ 23,289	69.7%	6.0%
Natural resources	\$ 25,723	\$ 21,313	82.9%	12.2%
Construction	\$ 40,228	\$ 30,124	74.9%	3.0%
Manufacturing	\$ 42,013	\$ 29,157	69.4%	7.2%
Trade, Transportation, Utilities	\$ 28,896	\$ 21,989	76.1%	1.8%
Information	\$ 39,175	\$ 26,361	67.3%	17.9%
Financial activities	\$ 42,946	\$ 26,081	60.7%	11.3%
Professional & Business Services	\$ 38,076	\$ 31,100	81.7%	-4.2%
Education & Health	\$ 35,045	\$ 35,236	100.5%	19.8%
Leisure & Hospitality	\$ 12,002	\$ 11,678	97.3%	-0.4%
Other services	\$ 19,710	\$ 14,930	75.7%	9.3%
Public Administration	\$ 35,689	\$ 24,923	69.8%	4.7%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

is barely higher. Contributing 16 percent of total employment and 17 percent of total wages, the public administration sector is more significant and more balanced than several others. Roughly or 76 percent of the jobs in trade, transportation, and utilities were in retail trade, where the average annual wage (\$19,307) is lower than in transportation and warehousing (\$23,008), wholesale trade (\$33,466), or utilities (\$42,578).

2003 Employment and Wage Distribution by Industry in Vilas County

	Employment		Total Payroll	
	Annual average	1-year change		
Natural Resources	58	1	\$ 1,236,135	
Construction	875	37	\$ 26,358,526	
Manufacturing	472	-84	\$ 13,762,060	
Trade, Transportation, Utilities	1,600	-12	\$ 35,182,269	
Information	95	7	\$ 2,504,333	
Financial Activities	339	41	\$ 8,841,494	
Professional & Business Services	252	4	\$ 7,837,235	
Education & Health	1,136	24	\$ 40,028,534	
Leisure & Hospitality	1,950	25	\$ 22,772,334	
Other services	345	51	\$ 5,150,816	
Public Administration	1,338	-54	\$ 33,347,115	
Not assigned	0	0	0	
All Industries	8,460	40	\$ 197,020,851	

Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2004

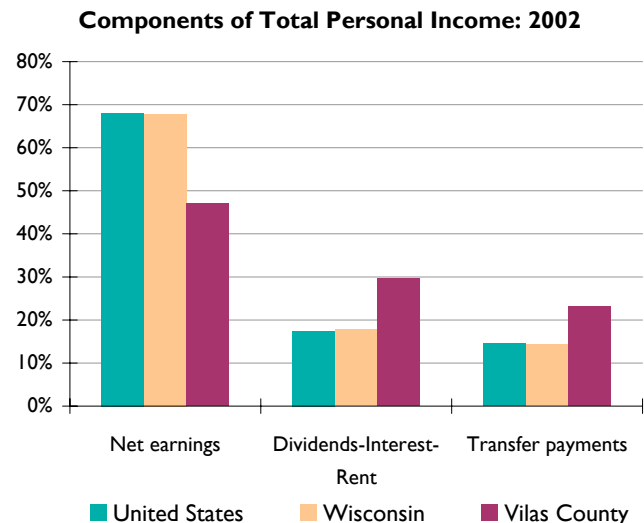
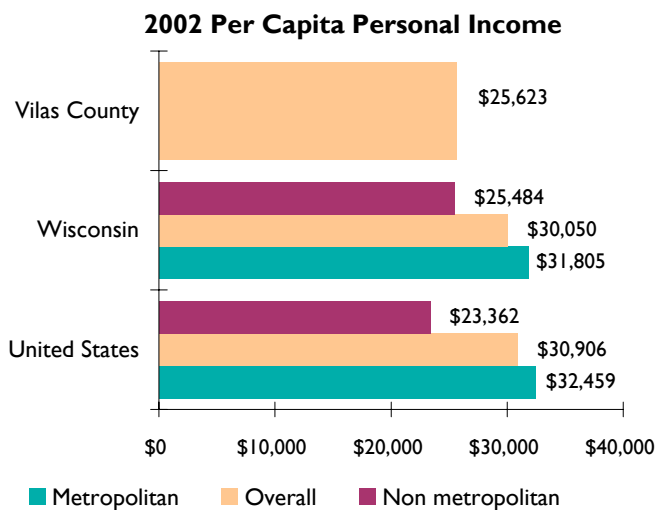
Per Capita Personal Income

In 2002, Vilas County's per capita personal income (PCPI) of \$25,632 was slightly above non-metropolitan Wisconsin's PCPI (\$25,484) and the national non-metropolitan PCPI (\$23,362). Between 1997 and 2002, the nation, the state and Vilas County all saw PCPI increases of about 22 to 23 percent. The inflation-adjusted (current dollar) table in the middle of the page shows that PCPI rose faster than inflation from 1997 to 2002. In 2001, inflation outpaced Wisconsin's PCPI growth and the nation's PCPI growth.

Growth in PCPI relates to demographic shifts discussed on pages 1-2. As a greater share of the population enters retirement, more residents rely on transfer payments (such as Social Security) and fewer have net earnings (typically associated with employment). Transfer payments are not likely to grow as fast as net earnings. Households with substantial investment income (dividends, interest or rent, including retirement or pension plans) are more likely to consider warmer climates for retirement, so PCPI growth may slow.

	Per Capita Personal Income						Percent Change	
	1997	1998	1999	2000	2001	2002	1 year	5 year
United States	\$25,334	\$26,883	\$27,939	\$29,847	\$30,527	\$30,906	1.2%	22.0%
Wisconsin	\$24,514	\$26,175	\$27,135	\$28,573	\$29,361	\$30,050	2.3%	22.6%
Non-metropolitan WI	\$20,734	\$22,195	\$22,900	\$24,059	\$24,833	\$25,484	2.6%	22.9%
Vilas County	\$21,037	\$22,715	\$23,408	\$24,498	\$24,798	\$25,623	3.3%	21.8%
In current dollars (adjusted to U.S. CPI-U)								
United States	\$28,397	\$29,670	\$30,170	\$31,181	\$31,010	\$30,906	-0.3%	8.8%
Wisconsin	\$27,478	\$28,889	\$29,301	\$29,850	\$29,825	\$30,050	0.8%	9.4%
Non-metropolitan WI	\$23,240	\$24,497	\$24,728	\$25,135	\$25,226	\$25,484	1.0%	9.7%
Vilas County	\$23,580	\$25,070	\$25,277	\$25,594	\$25,190	\$25,623	1.7%	8.7%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, May 2004



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2004

The county workforce profiles are produced annually by the Office of Economic Advisors in the Wisconsin Department of Workforce Development. The author of this profile and regional contact for additional labor market information is:

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email: Dan.Barroilhet@dwd.state.wi.us

Metropolitan Statistical Area (MSA) - A single county or group of counties that include at least one urbanized area with a minimum population of 50,000. Multiple-county MSAs have a central county or counties, which have a high degree of social and economic integration with the other member counties as measured by commuting data.

Non-metropolitan county - Any county that is not a member of a metropolitan statistical area.

Net Migration - One of two components of population change. It is the net result of individuals who either moved into or out of an area.

Natural Change - One of two components of population change. It is the result of the number of births minus the number of deaths in an area over a period of time. A natural increase indicates there were more births than deaths. A natural decrease indicates there were more deaths than births.

Employed - Persons 16 years of age or older, who worked as paid employees, or worked in their own business, profession or farm, or worked 15 hours or more as unpaid workers in a family-operated enterprise. Includes those temporarily absent from their jobs due to illness, bad weather, vacation, childcare problems, labor dispute, maternity or paternity leave, or other family or personal obligations.

Unemployed - Persons 16 years of age or older with no employment, who were available for work and made efforts to find employment sometime during the previous 4-week period ending with the monthly reference week. Persons who were awaiting recall to a job did not need to look for work to be classified as unemployed.

Labor Force - The sum of the employed and unemployed, whom are at least 16 years of age and older.

Unemployment Rate - The number of unemployed divided by the labor force. It is expressed as a percentage of the labor force.

Labor Force Participation Rate (LFPR) - The labor force divided by the total population aged 16 years and older. It is expressed as a percentage of the population aged 16 years and older.

Suppressed - Data is withheld or suppressed if it does not meet certain criteria. If an industry in a county has fewer than three employers or if a single employer employs 80% or more that industry's total employment in that county then the data are suppressed. These criteria were established to maintain the confidential reporting of payroll and employment by employers.

Total Personal Income - The aggregate income of an area received by all persons from all sources. It is calculated as the sum of wage and salary disbursements (less contributions for government social insurance), supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts that include retirement and veteran's benefits, government paid medical reimbursements, and income maintenance program payments.

Per Capita Personal Income (PCPI) - Total personal income divided by the total population.

Current Dollars - Phrase used to express historical dollar values in terms of their current purchasing power via inflation adjustment.

CPI-U - Consumer Price Index for all urban consumers, the most commonly used measure of inflation in the United States.